Selling of NPAs by ICICI Bank

511. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that ICICI Bank is selling every year Non-Performing Assets (NPAs) to Asset Reconstruction Companies India Ltd., (ARCIL);

(b) if so, the amount of NPAs of ICICI Bank;

(c) whether ICICI Bank is showing profits after selling so many NPAs; and

(d) what would be the impact of sub-prime crisis happens in India, its effect on the ICICI Bank and consequential effect on Indian economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) ICICI Bank sold gross Non-performing assets (NPAs) amounting to Rs. 1438.41 crore in 2005-06 to Securitisation/Reconstruction companies and impaired housing loans of Rs. 381 crore during the quarter ended September, 2007 to asset reconstrcution company.

(b) As on 31st March, 2007, the gross NPAs of ICICI Bank stood at Rs. 4,126 crore.

(c) ICICI Bank has reported net profit of Rs. 2,540 crore for year 2005-06, Rs. 3,110 crore for the year 2006-07 and Rs. 1,003 for the half year ended September, 2007.

(d) Following the sub-prime crisis overseas, ICICI Bank's overseas operations had reported makred to makret (MTM) losses of USD 264.34 million on accoaunt of its exposure to credit derivatives and investments as on 31st January, 2008. There is no information about sub-prime crisis in India.

Disparity in annual income

512. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that disparity of annual income among top level, middle level and persons living at subsistence level has widened during last three years;

(b) if so, the details thereof;

(c) how many persons are earning more than Rs. 12 lakhs per annum and what is the number of those living below poverty line (BPL);

(d) whether any steps are being taken to reduce the number of BPL families in view of good rate of economic growth; and

(e) if so, whether any target date has been fixed to complete the reduction of the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) while per capita income (GDP at market prices divided by population) has risen over the last three years, the National Sample Sruvey Organisation (NSSO) data for 1993-94 and 2004-05, which is the latest avilable quinquennial round data indicates that consumption expenditures at the top 10 percentile level of population have risen at a faster rate than at the lower percentile levels during this period.

(c) No such estimate is available with the Government. However, based on the lastest estimate of poverty as available with Planning Commission, the number of poor in 2004-05 is estimated as 301.7 million, with 220.9 million in the rural areas and 80.8 million in the urban areas.

(d) and (e) The Eleventh Plan has set monitorable target regarding poverty reduction and aims at reducing proportion of people living below the poverty line by 10 percentage points by the end of Eleventh Plan, i.e. 2011-12. In addition to the benefits of increase in income arising from the general growth process, the Government is implementing a number of programmes in order to eradicate poverty. The major schemes and programmes in this regard include Sampoorna Grameen Rozgar Yojana (SGRY), Swarna Jayanti Gram Swarozgar Yojana (SGSY), Indira Awaas Yojana (IAY), National Rural Employment Guarantee Scheme (NREGS) and Swarna Jayanti Shahri Rozgar Yojana (SJSRY).

Recommendation of C. Rangarajan Panel

513. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the C. Rangarajan Panel has recommended that branches of Public Sector and Regional Banks should open 250 accounts per year, per branch in rural areas for financial inclusion;

(b) if so, the details thereof; and

(c) the action taken by Government on the recommendation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (b) The Committee on Financial Inclusion headed by Shri C. Rangarajan, has recommended that the semi-urban and rural branches of commercial banks and Regional Rural Banks may set for themselves a minimum target of covering 250 new cultivator and non-cultivator household per branch per annum, with an emphasis on financing marginal farmers and poor non-cultivator household for achieving financial inclusion.

(c) The Committee has submitted its final report to Government of India on 04 January 2008. Meanwhile, based on the recommendations for the interim report of this Committee, the Government of India (GoI) has decided to constitute the Financial Inclusion Fund (FIF) for meeting the cost of promotional and developmental interventions and the Financial Inclusion Technology Fund (FITF) to meet the cost of technology adoption, with an overall corpus of Rs. 500 crore each, with initial funding to be contributed by the Central Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD).

Reduction in duties/taxes on petroleum products

514. SHRI RAMDAS AGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what losses, the Indian Public Oil Companies including Private Sector companies are bearing on account of rising crude oil prices in the International Market since 2006-07 and 2007-08 till February, 2008; and

(b) whether Government has taken into consideration reduction in duties, taxes on petroleum products or proposes to hike the consumer price of Diesel, Petrol, Kerosene and LPG?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINESH J. PATEL): (a) to (b) The International prices of crude oil and petroleum products have remained high and volatile. In 2006-07 the averaged Indian basket was $62.46 per barrel, which rose to $ 77.35 per barrel in 2007-08 (upto 28.2.2008). As passing on the

†Original notice of the question was received in Hindi.